

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS DENYING MAJOR TENTATIVE MAP NO. MT13-0007, SITE DEVELOPMENT PERMIT NO. SD13-0013 AND CONDITIONAL USE PERMIT NO. UP13-0013 FOR THE DEVELOPMENT OF 362 APARTMENT UNITS, APPROXIMATELY 55,431 SQUARE FEET OF COMMERCIAL-RETAIL SPACE IN A MIXED USE BUILDING AND APPROXIMATELY 241 CONDOMINIUM/TOWNHOUSE UNITS LOCATED IN THE MCCANDLESS/CENTRE POINTE AND MONTAGUE CORRIDOR SUB-DISTRICTS OF THE TRANSIT AREA SPECIFIC PLAN ON APPROXIMATELY 15.68 ACRES

WHEREAS, on July 17, 2013 an application was submitted by Integral Communities McCandless LLC (“Applicant”) at 3 San Joaquin Plaza, Suite 100, Newport Beach, CA 92660, to request for a Major Tentative Map, Site Development Permit, and Conditional Use Permit for the development of “three neighborhoods” totaling approximately 603 residential units and 55,421 square feet of commercial-retail space on approximately 15.68 acres located at 1310 – 1360 McCandless Dr. (APN: 086-33-101), 1463 Centre Pointe Dr. (APN: 086-33-086), 1501, 1507, 1515 Centre Pointe Dr. (APN: 086-33-087), 1536 – 1567 Centre Pointe Dr. (APN: 086-33-088), and 1577 – 1601 Centre Pointe Dr. (APN: 086-33-089) (“Project”).

WHEREAS, the properties are located within the following land use designations and zoning districts:

General/Specific Plans:	Residential Retail High Density Mixed Use (RRMU); Multi-Family Residential High Density (MFH); and Boulevard Very High Density, Mixed Use (BVHDMU)
Zoning Districts:	High Density Mixed Use (MXD2); Multi-Family High Density Residential (R3); Mixed Use, Very High Density (MXD3)
Overlay District:	Transit Oriented Development (TOD) and Site and Architectural Overlay (S)

WHEREAS, Milpitas City Staff reviewed the application for the proposed Project and informed the Applicant on several different occasions that the application for the proposed Project is incomplete and the proposed Project is inconsistent with and violates the TASP.

WHEREAS, the Applicant requested a public hearing before the Planning Commission to consider the application for the proposed Project and on November 24, 2014, the Planning Commission held a duly noticed public hearing and adopted a resolution recommending the City Council deny the proposed Project.

WHEREAS, on December 16, 2014, the City Council held a duly noticed public hearing on the subject application and considered evidence presented by City staff, the applicant, and other interested parties.

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines and resolves as follows:

1. The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. **Major Tentative Map Findings [Section XI-1-20.01]** – The City Council makes the following findings based on the evidence in the public record in support of recommending denial of Major Tentative Map No. MT13-0007.
 - a. *The tentative subdivision map is inconsistent with the Milpitas General Plan and Transit Area Specific Plan.*

As discussed in detail in the staff report and herein, the proposed Project is inconsistent with the City’s General Plan, the TASP, and Zoning Ordinance in four distinct major areas:

1. Land Use – Proposed Project fails to comply with the overall vision, goals, and policies of the TASP;

2. Residential Use – Proposed Project fails to meet the minimum residential density requirements and proposes unauthorized residential uses;
3. Commercial Use – Proposed Project fails to meet the minimum commercial-retail requirements and fails to meet the required location for commercial-retail space; and
4. Circulation System – Proposed Project fails to meet circulation requirements and proposes unauthorized block lengths, inconsistent street network, and inconsistent circulation and access.

General Plan, Specific Plan and Zoning Conformance

The table below outlines the proposed Project’s inconsistency with applicable General Plan Guiding Principles and Implementing Policies:

Policy	Consistency Finding
<i>2.a.1-31: Require development in the Transit Area to conform to the adopted design guidelines and requirements contained in the Transit Area Plan.</i>	<u>Inconsistent.</u> The proposed Project does not conform to the street layout, street sections, density and land use. An explanation is provided below in the “ Transit Area Specific Plan ” section describing these inconsistencies.
<i>2.a.-G-2: Maintain a relatively compact urban form.</i>	<u>Inconsistent.</u> The proposed Project provides a high density mixed use development in Neighborhood A, but does not provide mixed use development in Neighborhood B and C on certain designated property required to have commercial/retail. Further, the proposed Project does not conform to the TASP vision of a walkable, pedestrian friendly, transit oriented design with short block lengths, compact urban form, and mixed use development.

Transit Area Specific Plan and Zoning

(1) Land Use

Inconsistent Land Uses

The proposed street level condominium/townhome units in Neighborhood B are inconsistent with the “Residential – Retail High Density Mixed Use” Specific Plan land use classification and are not permitted in the MXD2 zoning district. The TASP “Residential – Retail High Density Mixed Use” land use classification is intended for ground floor retail and restaurant uses with residential, office, and/or hotel uses on the upper levels. Additionally, the MXD2 zoning designation prohibits multi-family housing as a primary use on the ground floor. The proposed Project includes ground floor multi-family housing in Neighborhood B. As identified above, this is not permitted in the MXD2 zone and is inconsistent with the vision for the Residential – Retail High Density Mixed Use district in the TASP. An application for a specific plan amendment and zone change is necessary to consider the ground floor condominium/townhome units in Neighborhood B as proposed. The applicant has not requested these entitlements.

Like Neighborhood B, mixed use Specific Plan classifications and zones are found in Neighborhood C. The Specific Plan and Zoning classifies a portion of the land uses in Neighborhood C as Boulevard Very High Density Mixed Use (BVHDMU) and the Very High Density Mixed Use Zone (MXD3), respectively. Unlike Neighborhood B, the BVHDMU and MXD3 zone does not prohibit ground floor residential uses. However, the classification and zone encourages high intensity office, commercial, and mixed use development.

It is important that properties in Neighborhood C incorporate commercial and professional office uses. The TASP anticipated and planned for the properties with the MXD3 Zone to be developed with commercial and retail uses. By not including these uses in Neighborhood C, the office and commercial

square footage allocated in the TASP will be transferred to other parcels and create an imbalance and overly concentration of office and commercial use on certain parcels and none in others. This process creates single residential use areas, which is inconsistent with the TASP land use and Zoning vision. The TASP envisioned the Montague Corridor sub-district as an attractive, high density, urban neighborhood with a mix of land uses including rows of high profile buildings along Montague Expressway. Shifting the required retail uses to one large building along Great Mall Parkway further degrades the overall vision for the TASP.

Neighborhood C is located in the Montague Corridor sub-district of the Specific Plan. The sub-district encourages high rise buildings along Montague Expressway (Policy 4.1 (MON)). The proposed Project is inconsistent with this policy because it provides three- and four-story residential condominiums/townhomes along Montague Expressway as zoned for and envisioned in the TASP.

Inconsistent Residential Density

The proposed Project is spread across three zoning districts. The TASP and Zoning Ordinance require the following residential densities for each Zone:

- MXD2-TOD – 31 and 50 dwelling units per gross acre;
- R3-TOD – 21 to 40 dwelling units per gross acre; and
- MXD3-TOD – 41 to 60 dwelling units per gross acre.

Table 4 identifies the proposed Project’s inconsistencies with the density requirements.

Table 4
Centre Pointe Residential Density Analysis

Zone	Acres	Units Proposed	Residential Density	Residential Density Requirement	Below, Between, Above Requirement
MXD2-TOD	8.128	435 units	53.5 dwelling units per acre	31 – 50 dwelling units per acre	Above (3.5 du/ac greater than maximum)
R3-TOD	4.195	95 units	22.6 dwelling units per acre	21 – 40 dwelling units per acre	Between (1.6 du/ac greater than minimum)
MXD3-TOD	2.927	73 units	24.9 dwelling units per acre	41 – 60 dwelling units per acre	Below Minimum (16 du/ac less than minimum)
	15.25 acres*	603 units	39.5 du/ac average		

* excludes 0.43 acre “Triangle Park” because it is a part of “District I” project

The residential density provided in the MXD3 Zone of the Project is **16 dwelling units per acre less than the minimum** amount required by the Specific Plan and Zoning. Properties Zoned MXD2 only exceeds the maximum density by approximately 3.5 dwelling units per acre. The result of this proposed Project is similar to the “District I” project. The Centre Pointe Project proposes moving the residential density towards the northern end of the development, while diluting the southern portion. Ultimately, this approach is inconsistent with the TASP and Zoning objectives for “high density urban neighborhoods,” and leaves the TASP vision unfulfilled.

Further, as referenced in Table 1, the residential density for the proposed Neighborhood A is 80.9 dwelling units per acre. The TASP allows a density bonus of 25 percent for with approval of a use permit. This would increase the maximum residential density permitted to 62.5 dwelling units per acre. Clearly,

the 80.9 dwelling units per acre exceed the maximum permitted even with the use permit. Therefore, Neighborhood A does not comply with the density ranges permitted by the TASP and Zoning.

(2) Commercial Uses

Inconsistent Commercial Uses

The TASP requires that 200 square feet of commercial space be provided per the minimum residential density for the MXD2 zone. Table 5 identifies the commercial square footage requirements for parcels Zoned MXD2 in the proposed Project:

Table 5
Commercial Area Requirements

APN	Zoning	Acres	Minimum Residential Density	Minimum Required Commercial Area	Commercial Provided
Portion of -101	MXD2	2.339	31 du/ac	14,501 square feet	55,431 square feet
-086	MXD2	3.127	31 du/ac	19,387 square feet	
-087	MXD2	2.662	31 du/ac	16,504 square feet	0 square feet
Sub Total				50,392 square feet	55,431 square feet
Clubhouse, Leasing Office, Gym					-5,683 square feet
Total				50,392 square feet	49,748 square feet

The proposed Project shifts all required commercial/retail land use to Neighborhood A. The proposed Project provides 55,431 square feet of space labeled as commercial. However, this space includes a club house, leasing office and gym. Subtracting this area from the square footage provided yields a total square footage of 49,748 square feet. This is less than the required commercial square footage for the proposed Project.

Further, the proposed Project places all commercial area in Neighborhood A in one single large building along Great Mall Parkway. As discussed previously, there is no commercial space dedicated in Neighborhood B, as required by the MXD2 Zone, and fails to meet the urban mixed use neighborhood character vision. This is inconsistent and not permitted with the TASP and Zoning.

The proposed shift in both residential units and commercial retain land uses represents a rewrite of the TASP without a proper specific plan amendment. Therefore, the proposed Project is inconsistent the following TASP Goals:

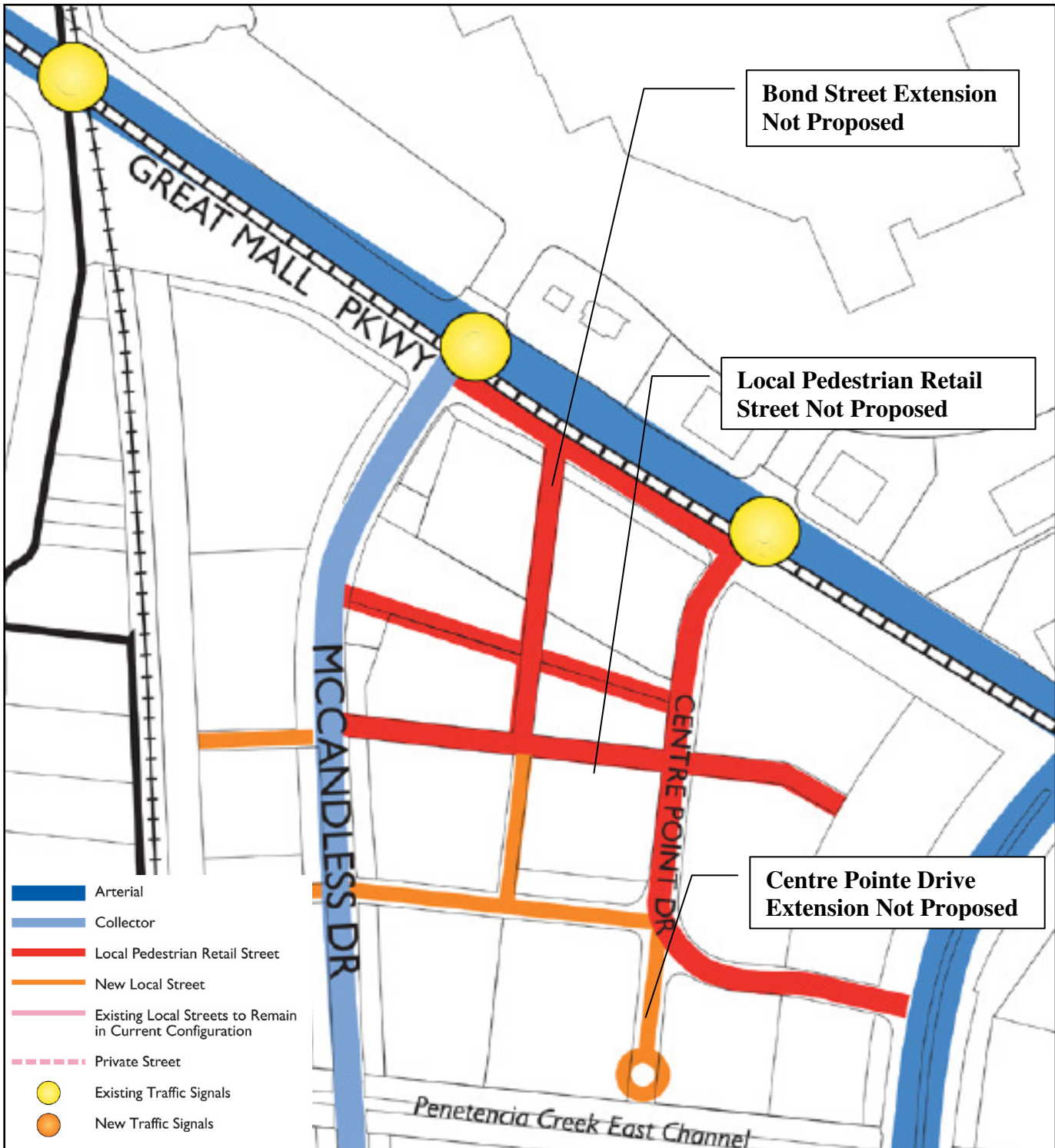
- High intensity mixed use areas with housing, office, retail, restaurants, personal services, hotels and community facilities.
- Provision of a mixture of land uses that responds to market demands and provides opportunities for complementary uses.
- Neighborhood serving retail uses in each sub-district so residents and workers can easily walk to shops, restaurants and services.
- Smaller two and three acre blocks to facilitate direct and easy pedestrian access between different land uses and areas.

Additionally, the commercial-retail space within the single large building does not meet the minimum depth requirements for ground floor commercial uses, as prescribed by Table 5-1 in the TASP. Specifically, Table 5-1 states that ground floor commercial spaces shall be 75 feet deep with a minimum depth of 60 feet. The plans illustrate that the commercial spaces are only 34 feet deep, which significantly reducing their potential for successful commercial/retail tenants. This presents another inconsistency with the TASP, and another reason that the City Council should deny of the proposed Project.

(3) Circulation System

The proposed Project's circulation system is inconsistent with the TASP. Figure 7 illustrates the street network prescribed by the TASP. The inconsistencies with this network are summarized by street on the subsequent page.

Figure 7
TASP Street Network for Centre Pointe



Bond Street

The TASP illustrates Bond Street providing a connection to Great Mall Parkway. The proposed Project does not extend Bond Street to Great Mall Parkway and instead, Bond Street ends at a parking garage for Neighborhood A, inconsistent with the TASP. TASP Policy 4.60 requires that block lengths do not exceed 450 feet, and encourages shorter block lengths of 300 to 400 feet. Bond Street measures approximately 610 feet from Newbury Street to Market Street. Therefore, Bond Street is inconsistent with the TASP street layout and block lengths.

Centre Pointe Drive

The street layout and alignment for the proposed Centre Pointe Drive does not extend southward as planned for in the TASP. Additional analysis and studies are needed to determine the ultimate alignment and layout for this roadway and may be inconsistent with the TASP. Further, Centre Pointe Drive measures approximately 560 feet from Newbury Street to Market Street. This is inconsistent with TASP Policy 4.60 which requires block lengths not to exceed 450 feet.

Missing Street

The TASP Street Design and Character Plan illustrates a street bisecting the approximate location of Neighborhood B. The proposed Project does not incorporate this street. The TASP identified street is designed to be used as a pedestrian retail street. This proposed missing street further emphasizes the proposed Project's inconsistency with the TASP and the importance of providing mixed use development along a planned street frontage in Neighborhood B.

Montague Expressway

There are improvements identified in the TASP along Montague Expressway that do not match the street cross sections provided on the proposed Project. These include the following:

- Provision of a 20 foot wide frontage road and 10 foot landscape median separating the frontage from the bike lane.
- Policy 4.5 requires that new developments dedicate 79 feet of land from the roadway centerline. This information is not provided on the applicant's plans.

McCandless Drive

The Project proposes 15 foot wide elevated sidewalk and 14 foot landscaped and easement area from the building to the right of way. This is inconsistent with the TASP cross sections. TASP prescribes buildings to be placed at the back of a 25 foot wide sidewalk. A six foot wide sidewalk and 20 foot wide planting strip are to separate the sidewalk from the right of way.

Great Mall Parkway

The proposed Project is not consistent with the TASP standards for Great Wall Mall Parkway. Moving from the center of Great Mall Parkway toward the building, the TASP identifies a street cross section containing a 13 foot median/turn lane, 17 foot wide turn lane; 12 foot wide travel lane; six foot wide bike lane, 14 foot travel lane, 24 foot planning strip, 10 foot sidewalk and a 10 foot setback. The proposed Project includes a 22.5 planting strip, 12 foot stormwater treatment area and a 15 foot sidewalk, which is inconsistent with the TASP.

Block Length Policy

McCandless/Centre Pointe sub-district Policy 4.60 states that the "block dimensions shall generally be between 300 and 400 feet, and shall never exceed 450 feet." The block length for the proposed Project along Bond Street is approximately 610 feet, and the block length from Newbury Street to Market Street is approximately 560 feet. Both of these block lengths are inconsistent with Policy 4.60.

Street Facing Parking

TASP development standards prohibit parking that is visible from streets. Neighborhood A proposes parking along Great Mall Parkway. While the proposed Project indicates that landscaping might screen

this parking area, additional information is required to determine if it is not visible from streets. Further, the goal of TASP is a pedestrian friendly, street oriented design. Placing parking at the front of a building along a street frontage is inconsistent with pedestrian and street oriented design objectives of the TASP.

Penitencia Creek Trail

The TASP requires that buildings be setback a minimum of 20 feet from the trail. The proposed Project proposes an 18.5 foot setback from the trail, which is inconsistent with the TASP.

3. ***Site Development Permit Findings [Milpitas Municipal Code Section XI-10-57-03(F)]*** – The City Council makes the following findings based on the evidence in the public record in recommending denial of Site Development Permit No. SD13-0013.

- a. ***The layout of the site and design of the proposed buildings, structures and landscaping are incompatible and aesthetically not harmonious with adjacent and surrounding development.***

As analyzed in detail in the staff report and herein, the proposed Project is incompatible and not harmonious with surrounding development because the site is designed with a large, oversized, mixed use building that does not reflect the art deco design approved for the parcel located at the southwest corner of McCandless Drive and Great Mall Parkway. Further, the condominium/townhome units are sprinkled across the parcels and do not embody a compact urban form as prescribed by Zoning and envisioned in the TASP. The configuration of the condominium/townhome units, including the mass, scale and height of the structures, are not typical of transit oriented development and does not include commercial uses fronting the proposed street network with residential units above as required by Zoning and envisioned in the TASP.

- b. ***The proposed Project is inconsistent with the Milpitas Zoning Ordinance.***

As analyzed in detail in the staff report and herein, the proposed Project is inconsistent with the Milpitas Zoning Ordinance. The Project site is zoned MXD2, Mixed Use, High Density; R3, Multi-Family High Density Residential; and MXD3, Mixed Use, Very High Density. All zones contain a Transit Oriented Development (TOD) Overlay. The proposed ground floor residential uses in Neighborhood B are not permitted in the MXD2 zone. Further, proposed mixed uses and commercial uses are not provided on properties zoned MXD2. Instead, mixed uses and commercial uses are all located in one oversized building along Great Mall Parkway in Neighborhood A in conflict of the TASP. There are no TASP policies that support relocating or transferring required commercial mixed-use. The purpose of the MXD3 zoning district is to provide areas for very high density housing and commercial/retail uses in a mixed-use format. The proposed Project does not conform to this zoning district because the proposed Project does not incorporate high density mixed-uses in the required TASP locations.

The proposed Project also does not conform to the TOD Overlay because it does not provide a density within the 41-75 units/acre range required by the TOD Overlay when combined with the MXD3 zoning district.

The proposed Project does not conform to the development standards required in the MXD3 and TOD Overlay Districts. The table below demonstrates how the proposed Project is inconsistent with these development standards.

	TASP Requirement	Proposed	Complies
<u>Setbacks</u> (Minimum)*			
Great Mall Parkway setback	58 feet	56 feet	No
Montague Expressway setback	45 feet	43 feet	No
McCandless Drive setback	45 feet	33 feet	No

c. The project is inconsistent with the Milpitas General Plan.

As discussed in detail in the staff report and herein, the proposed Project is inconsistent with the Milpitas General Plan.

d. The project is inconsistent with the Transit Area Specific Plan.

As analyzed in detail in the staff report and herein, the proposed Project is inconsistent with the Transit Area Specific Plan (TASP). The proposed Project is located within the McCandless/Centre Pointe sub-district of the TASP and is designated as Residential Retail High Density Mixed Use (RRMU), Multi-Family Residential High Density (MFH) Boulevard Very High Density Mixed Use (BVMU) with TOD Overlays which qualifies the site for increased density. The proposed Project is inconsistent in three key areas. The first area is that the proposed Project provides multi-family housing on ground level parcels designated as RRMU. The intent of this classification is that the properties be developed as mixed use areas with residential units located above ground floor commercial uses. Second, the project redistributes the required commercial square footage from Neighborhood B to the proposed Neighborhood A. The TASP does not authorize the averaging or relocation of commercial uses. Third, the circulation system does not meet TASP standards. Block lengths are proposed to be 560 and 600 feet, which exceeds the 450 foot maximum, there are missing streets and street extensions, and the street cross sections are inconsistent with the TASP standards.

Further the proposed Project is inconsistent with the following TASP Policies:

Policy 3.1: Develop at least 5,000 but no more than 9,350 housing units in the Transit Area.

The proposed low densities in Neighborhoods B and C and reliance on constructing an oversized mixed use building along Great Mall Parkway with a residential unit count that exceeds the TASP vision and Zoning requirements does not meet the development intensities required by the TASP.

Policy 3.17: New streets shall be located as generally shown on the Street System Map, Figure 3-2.

The proposed Project does not provide an extension of Bond Street to intersect Great Mall Parkway, nor does it provide a pedestrian retail oriented street that bisects Neighborhood B.

Policy 3.18: New development must dedicate land for new public streets and pay for their construction.

The Project proposes private streets. The Specific Plan states that “all necessary right-of-ways must be dedicated for new public streets and the streets constructed following the street designs and streetscape standards.” The private streets and public streets do not meet the cross section standards as identified in the TASP.

Policy 3.40: Locate and size parks as generally shown on Figure 3-6, Parks, Public Spaces, and Trails.

Figure 3-6 in the TASP shows the park extending from McCandless Drive along a proposed roadway to Centre Pointe Drive. The proposed park terminates at Bond Street and does not extend to Centre Pointe Drive. Further, the TASP identifies the Park as being 0.86 acres. The plans show the park as 0.43 acres. Therefore, it is inconsistent with the TASP.

Policy 3.59: Create a 45 foot deep continuous landscaped setback on Montague Expressway.

The Project proposes a 43 foot deep setback along Montague Expressway in violation of the Policy.

Policy 4.1 (MON): High rise buildings are encouraged along Montague Expressway.

The Project proposes 3 and 4 story buildings along Montague Expressway and does not meet the intent of the policy or vision of the TASP.

Policy 4.4 (MON): A 45 foot wide, landscaped setback is required from the future right of way line of Montague Expressway.

The Project proposes a 43 foot wide landscaped setback based on the street cross section in violation of the Policy.

Policy 4.5 (MON): New development along Montague Expressway must dedicate land, such that a total of 79 feet from the roadway centerline is provided, to accommodate the future Montague Expressway widening project.

The proposed Project fails to demonstrate that this requirement has been satisfied.

Policy 4.60 (MC-C): Break the area into smaller scale blocks that are appropriate to residential development and the desired pedestrian scale for the neighborhood. Block dimensions shall generally be between 300 and 400 feet, and shall never exceed 450 feet.

The proposed block lengths exceed 450 feet. Bond Street, from Newbury Street to Market Street is over 600 feet long and Centre Pointe Drive is approximately 560 feet in length, both in violation of the above policy.

Policy 4.63 (MC-C): Create three street connections between McCandless Drive and Centre Point Drive. However, a public pedestrian pathway can be substituted for one of the streets.

The proposed Project does not provide three street connections. The proposed Project provides two connections – one at the proposed private Market Street and one at the proposed Newbury Street. The TASP allows alternative configurations, but states that block size requirements must be met. As demonstrated the project does not comply with block size requirements because blocks exceed 450 feet in length and the neighborhoods are larger than two to four acres.

4. ***Conditional Use Permit Findings [Section XI-10-57.04(F)]*** - The City Council makes the following findings based on the evidence in the public record in recommending denial of Conditional Use Permit No. UP13-0013.
 - a. ***The proposed use, at the proposed location will be detrimental or injurious to property or improvements in the vicinity and negatively impact the public health, safety, and general welfare;***

As analyzed in detail in the staff report and herein, the proposed Project does not meet the requirements, policies, or vision of the General Plan, TASP, or Zoning District and therefore, will be detrimental to public health, safety, and general welfare.

- b. ***The project is inconsistent with the Milpitas General Plan.***

As analyzed in detail in the staff report and herein, the proposed Project is inconsistent with the Milpitas General Plan.

- c. ***The project is inconsistent with the Milpitas Zoning Ordinance.***

As analyzed in detail in the staff report and herein, the proposed Project is inconsistent with the Milpitas Zoning Ordinance.

d. The project is inconsistent with the Transit Area Specific Plan

As analyzed in detail in the staff report and herein, the proposed Project is inconsistent with the Milpitas Transit Area Specific Plan.

e. The deviation from the Transit Area Specific Plan Standard does not meet the design intent identified within the Specific Plan and will detract from the overall architectural, landscaping and site planning integrity of the proposed development.

As analyzed in the staff report and detail herein, the design deviations do not meet the intent of the TASP. The block length, residential land uses, and on-street parking do not contribute to the overall architectural, landscaping and site planning integrity of the TASP or development.

f. The deviation from the Transit Area Specific Plan Standard will not allow for a public benefit not otherwise obtainable through the strict application of the Zoning Standard.

As analyzed in the staff report and detail herein, there is no public benefit with the proposed Project.

5. The City Council of the City of Milpitas hereby adopts Resolution No. _____ denying MAJOR TENTATIVE MAP NO. MT13-0007, SITE DEVELOPMENT PERMIT NO. SD13-0013 AND CONDITIONAL USE PERMIT NO. UP13-0013 based on the Findings herein.

PASSED AND ADOPTED this _____ day of _____, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Michael J. Ogaz, City Attorney